

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF NEW YORK

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Hearing Date: March 12, 2025  
Hearing Time: 9:15 a.m.  
Hearing Location: Albany

IN RE:

GATEWAY SPORTS & POOLS, INC.

Chapter 7  
Case No. 25-10053

Debtor.

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**MOTION FOR AN ORDER APPROVING THE SALE OF THE TRUSTEE'S INTEREST  
IN NON-EXEMPT REAL PROPERTY PURSUANT TO 11 U.S.C. §363**

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Michael Jude O'Connor, Esq., as Trustee for the above-referenced Chapter 7 estate (the "Trustee"), respectfully represents the following in support of his Motion for an Order Approving the Sale of the Trustee's Interest in Non-Exempt Property Pursuant to 11 U.S.C. §363:

1. Gateway Sports & Pools, Inc. (the "Debtor") filed a voluntary petition for relief pursuant to Chapter 7 of the U.S. Bankruptcy Code (the "Code") with the U.S. Bankruptcy Court for the Northern District of New York on January 17, 2025 (the "Petition").
2. The Trustee was appointed on or about January 17, 2025 and is duly qualified to act as such.
3. In the Petition, the Debtor listed its ownership interest in real property located at 22-40 Remsen Street, Cohoes, NY 12047 (a/k/a 24-40 Remsen Street, Cohoes, NY 12047), Tax Map # 10.12-1-13, (the "Property") as having a value of \$600,000.00.
4. The Debtor is a non-profit entity which operated a fitness center at the Property. The facility was comprised of a large gymnasium, swimming pool, exercise room with equipment, and several other offices and lounges.
5. Upon information and belief, the facility has been closed since late 2023.
6. The undersigned had an opportunity to visit the Property and walk through the premises on two occasions. Attached as Exhibit "A" is a purchase offer for \$775,000.00 received from the County of Albany for the purchase of the Property.

7. The Debtor purchased the Property on or about February 5, 2020. The purchase price was \$460,000.00. Since then, the Debtor has made some improvements to the Property. The tax assessed valuation is \$230,000.00.

8. The broker that originally handled the transaction in the winter of 2020 was NAI Platform Realty.

9. The undersigned spoke to representatives of NAI Platform Realty concerning the offer received from the County of Albany for \$775,000.00.

10. Although the Trustee did not retain NAI Platform Realty, representatives did provide their opinion to the Trustee that the subject offer is reasonable and fair. They indicated that they were very familiar with the Property, and the nature of the business, and that the purchase price reflected the current value.

11. M&T Bank is the primary creditor in this case. M&T Bank holds two mortgages, as well as a separate third loan that is not secured by real property. The first mortgage in favor of M&T Bank had a balance of \$400,803.64 as of January 31, 2025. The second mortgage had a balance of \$209,452.94 as of January 31, 2025. The third loan, collateralized by personal property, had a balance of \$66,814.70 as of January 31, 2025.

12. It is the Trustee's intent to satisfy the two mortgages. To the extent there is surplus money from the sale, the Trustee will review all residual claims and satisfy them when the distribution is made from the bankruptcy estate.

13. In addition to the secured debt, the Trustee will satisfy any other liens that encumber the Property upon closing. There is a judgment filed by New York State Department of Labor in the sum of \$545.33. In addition, upon information and belief, there is modest real property taxes owed, less than \$5,000. The Debtor was taxed at a reduced rate based upon its not-for-profit status.

14. The Trustee believes the offer to purchase the estate's interest in the Property is a fair and reasonable offer which should be accepted by this Court.

15. With this Motion, the Trustee seeks an Order of this Court permitting him to sell the estate's interest in the Property to the County of Albany, New York for the sum of \$775,000.00.

16. In addition, the Trustee seeks permission to disburse from the proceeds of sale sums sufficient to satisfy mortgage liens as well as to pay all necessary and reasonable closing costs including, but not limited to, recording fees, revenue stamps, title insurance/search fees, real estate commissions, attorney's fees and any other and reasonable closing costs.

17. Additionally, the Trustee seeks an Order of this Court permitting him to convey title by Trustee's Deed to the County of Albany, New York upon receipt of the proceeds of sale.

WHEREFORE, based on the foregoing, it is respectfully requested that this Court issue an Order permitting him to sell the estate's interest in the Property for the sum of \$775,000.00 and granting such other and further relief as this Court deems just and proper.

DATED: February 27, 2025

/s/ Michael J. O'Connor  
Michael Jude O'Connor, Esq.  
Chapter 7 Trustee  
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